



San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT



APR 24 2012

Gerardo C. Rios, Chief
Permits Office
Air Division
U.S. EPA - Region IX
75 Hawthorne St
San Francisco, CA 94105

Re: **Notice of Minor Title V Permit Modification**
District Facility # S-1372
Project # S-1121228

Dear Mr. Rios:

Enclosed for you to review is an application for minor Title V permit modification for the facility identified above. Plains Exploration & Production Company is proposing a Title V minor permit modification to incorporate the recently issued S-1372-194-14 into the Title V operating permit. This ATC designates the unit as dormant for compliance with Rule 4703.

Enclosed is the engineering evaluation with the following attachments: proposed modified Title V permit, recently issued S-1372-194-14, emission increases, application, and previous Title V permit. Please submit your written comments on this project within the 45-day comment period that begins on the date you receive this letter.

Thank you for your cooperation in this matter. If you have any questions, please contact Mr. Leonard Scandura at (661) 392-5500.

Sincerely,

David Warner
Director of Permit Services

Enclosures

Northern Region
4800 Enterprise Way
Modesto, CA 95356-8718
Tel: (209) 557-6400 FAX: (209) 557-6475

Central Region (Main Office)
1990 E. Gettysburg Avenue
Fresno, CA 93726-0244
Tel: (559) 230-6000 FAX: (559) 230-6061

Southern Region
34946 Flyover Court
Bakersfield, CA 93308-9725
Tel: 661-392-5500 FAX: 661-392-5585



San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT



APR 24 2012

Kenneth Bork
Plains Exploration & Production Company
1200 Discovery Drive, Suite 300
Bakersfield, CA 93309

**Re: Notice of Minor Title V Permit Modification
District Facility # S-1372
Project # S-1121228**

Dear Mr. Bork:

Enclosed is the District's analysis of your application for minor Title V permit modification for the facility identified above. You proposed a Title V minor permit modification to incorporate recently issued S-1372-194-14 into the Title V operating permit. This ATC designates the unit as dormant for compliance with Rule 4703.

Enclosed is the engineering evaluation with the following attachments: proposed modified Title V permit, recently issued S-1372-194-14, emission increases, application, and previous Title V permit. This project will be subject to a 45-day EPA commenting period prior to the District taking final action.

Thank you for your cooperation in this matter. If you have any questions, please contact Mr. Leonard Scandura at (661) 392-5500.

Sincerely,

David Warner
Director of Permit Services

Enclosures

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Bakersfield, CA 93308-9725
Tel: 661-392-5500 FAX: 661-392-5585

TITLE V APPLICATION REVIEW

Minor Modification
Project #: S-1121228

Engineer: Kris Rickards
Date: April 19, 2012

4 - 23 - 12
RWK

Facility Number: S-1372
Facility Name: Plains Exploration & Production Company
Mailing Address: 1200 Discovery Drive, Suite 300
Bakersfield, CA 93309

Contact Name: Kenneth Bork
Phone: 661-395-5458

Responsible Official: Steven Rusch
Title: Vice President-EHS & Government Affairs

I. PROPOSAL

Plains Exploration & Production Company (PXP) is proposing a Title V minor permit modification to incorporate the recently issued ATC #S-1372-194-14 into the Title V operating permit. This ATC designated the cogeneration facility dormant for Rule 4703 compliance.

The purpose of this evaluation is to identify all applicable requirements, determine if the facility will comply with the applicable requirements and to provide the legal and factual basis for the proposed revisions.

II. FACILITY LOCATION

This facility is located at the NW 1/4 of Section 23, Township 31S, Range 22E within PXP's Heavy Oil Western Stationary Source.

III. EQUIPMENT DESCRIPTION

S-1372-194-15: NON-COMPLIANT DORMANT 4.72 MW COGEN FACILITY INCLUDING SOLAR TAURUS MODEL 60-T73005 GAS FIRED TURBINE ENGINE GENERATOR SET WITH SOLONOX COMBUSTORS, GAS FIRED DUCT BURNER, AND HEAT RECOVERY STEAM GENERATOR

IV. SCOPE OF EPA AND PUBLIC REVIEW

This change to a Title V permit is considered to be a minor modification and, as such, requires no public review.

V. APPLICABLE REQUIREMENTS

District Rule 2520, Federally Mandated Operating Permits (Adopted June 21, 2001)

VI. DESCRIPTION OF PROPOSED MODIFICATIONS

Permit conditions 1, 2 and 3 on the draft Permit to Operate were added to enforce the dormancy status of the cogeneration unit:

- No modification to this unit shall be performed without an Authority to Construct for such modification(s), except for changes specified in conditions below. [District Rule 2010]
- The fuel supply line shall be physically disconnected from this unit. [District Rule 4703]
- This equipment shall not be operated for any reason until an Authority to Construct permit is issued approving all necessary retrofits required to comply with the applicable requirements of District Rule 4703 and all other applicable District regulations. [District Rule 4703]

VII. COMPLIANCE

In accordance with Rule 2520, 3.20, these modifications:

1. Do not violate requirements of any applicable federally enforceable local or federal requirement;
2. Do not relax monitoring, reporting, or recordkeeping requirements in the permit and are not significant changes in existing monitoring permit terms or conditions;
3. Do not require or change a case-by-case determination of an emission limitation or other standard, or a source-specific determination for temporary sources of ambient impacts, or a visibility or increment analysis;
4. Do not seek to establish or change a permit term or condition for which there is no corresponding underlying applicable requirement and that the source has assumed to avoid an applicable requirement to which the source would otherwise be subject.

Such terms and conditions include;

- a. A federally enforceable emission cap assumed to avoid classification as a modification under any provisions of Title I of the Federal Clean Air Act; and
 - b. An alternative emissions limit approved pursuant to regulations promulgated under section 112(i)(5) of the Federal Clean Air Act; and
5. Are not Title I modifications as defined in District Rule 2520 or modifications as defined in section 111 or 112 of the Federal Clean Air Act; and
 6. Do not seek to consolidate overlapping applicable requirements.

In accordance with Rule 2520, the application meets the procedural requirements of section 11.4 by including;

1. A description of the change, the emissions resulting from the change, and any new applicable requirements that will apply if the change occurs;
2. The source's suggested draft permit; and
3. Certification by a responsible official that the proposed modification meets the criteria for use of minor permit modification procedures and a request that such procedures be used.

VIII. ATTACHMENTS

- A. Proposed Modified Title V Operating Permit S-1372-194-15
- B. Authority to Construct S-1372-194-14
- C. Emissions Increases
- D. Application
- E. Previous Title V Operating Permit S-1372-194-12

ATTACHMENT A

Proposed Modified Title V Operating Permit
(S-1372-194-15)

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-1372-194-15

EXPIRATION DATE: 05/31/2016

SECTION: SE36 **TOWNSHIP:** 29S **RANGE:** 21E

EQUIPMENT DESCRIPTION:

NON-COMPLIANT DORMANT 4.72 MW COGEN FACILITY INCLUDING SOLAR TAURUS MODEL 60-T73005 GAS FIRED TURBINE ENGINE GENERATOR SET WITH SOLONOX COMBUSTORS, GAS FIRED DUCT BURNER, AND HEAT RECOVERY STEAM GENERATOR

PERMIT UNIT REQUIREMENTS

1. No modification to this unit shall be performed without an Authority to Construct for such modification(s), except for changes specified in conditions below. [District Rule 2010]
2. The fuel supply line shall be physically disconnected from this unit. [District Rule 4703]
3. This equipment shall not be operated for any reason until an Authority to Construct permit is issued approving all necessary retrofits required to comply with the applicable requirements of District Rule 4703 and all other applicable District regulations. [District Rule 4703]
4. Unit shall be fired exclusively on PUC-quality natural gas which has a sulfur content of less than or equal to 0.017% by weight. [40 CFR 60.333(a) & (b); 60.332(a)] Federally Enforceable Through Title V Permit
5. Duct burner fuel gas supply shall be equipped with injection pressure indicator. [District Rule 2201] Federally Enforceable Through Title V Permit
6. Gas turbine lube oil system atmospheric vent shall be equipped with aerosol/smoke control provisions. [District Rule 2201] Federally Enforceable Through Title V Permit
7. Gas turbine engine and duct burner shall be fired on PUC quality or equivalent sulfur content natural gas. [District Rule 2201] Federally Enforceable Through Title V Permit
8. Gas turbine engine/duct burner system shall be equipped with recording fuel gas flowmeter. [District Rule 2201] Federally Enforceable Through Title V Permit
9. Sampling facilities for source testing shall be provided in accordance with the provisions of Rule 1081 (Source Sampling). [District Rule 1081] Federally Enforceable Through Title V Permit
10. Permittee shall operate and maintain in calibration a system which continuously measures and records elapsed time of turbine operation. [District Rule 4703, 6.2] Federally Enforceable Through Title V Permit
11. Permittee shall operate, monitor and maintain the SoLoNOx lean pre-mixed combustion system in full accordance with manufacturer's recommendations. [40 CFR 60.334; District Rule 4703, 6.2.2 and 6.2.5] Federally Enforceable Through Title V Permit
12. Heat input to gas turbine engine/duct burner system shall not exceed 1,880.16 MMBtu/day. [District Rule 2201] Federally Enforceable Through Title V Permit
13. Except during transitional periods, NOx emissions shall not exceed 25 ppmvd @ 15% O2. [40 CFR 60.332(a)(1) & 60.332(a)(2) and District Rules 2201 and 4703, 5.1.2] Federally Enforceable Through Title V Permit
14. Except during transitional periods, CO emissions shall not exceed 200 ppmvd @ 15% O2. [District Rules 2201 and 4703, 5.2] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

These terms and conditions are part of the Facility-wide Permit to Operate.

15. Gas turbine engine and duct burner combined emission rate shall not exceed PM10: 0.72 lb/hr, SOx (as SO2): 0.06 lb/hr, VOC: 0.38 lb/hr, and CO: 16.70 lb/hr. [District Rule 2201] Federally Enforceable Through Title V Permit
16. Lube oil vent relief valve emission rate shall not exceed PM10: 0.09 lb/hr, and VOC: 0.09 lb/hr. [District Rule 2201] Federally Enforceable Through Title V Permit
17. Start-up is defined as the period of time during which a unit is brought from a shutdown status to its operating temperature and pressure, including the time required by the unit's emission control system to reach full operation. [District Rule 4703, 3.29] Federally Enforceable Through Title V Permit
18. Shutdown is defined as the period of time during which a unit is taken from an operational to a non-operational status by allowing it to cool down from its operating temperature to ambient temperature as the fuel supply to the unit is completely turned off. [District Rule 4703, 3.26] Federally Enforceable Through Title V Permit
19. Transitional Period is defined as any of the following: bypass transition period, primary re-ignition period, reduced load period, start-up or shutdown. [District Rule 4703, 3.33] Federally Enforceable Through Title V Permit
20. If the turbine is not fired on PUC-regulated natural gas, then the sulfur content of the natural gas being fired in the turbine shall be determined using ASTM method D 1072, D 3031, D 4084 or D 3246. [40 CFR 60.335(d)] Federally Enforceable Through Title V Permit
21. If the turbine is not fired on PUC-regulated natural gas, the sulfur content of each fuel source shall be tested weekly except that if compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be quarterly. If a test shows noncompliance with the sulfur content requirement, the source must return to weekly testing until eight consecutive weeks show compliance. [40 CFR 60.334(b)(2)] Federally Enforceable Through Title V Permit
22. Source testing to demonstrate compliance with NOx and CO emission limits shall be conducted annually. [District Rule 4703, 6.3.1] Federally Enforceable Through Title V Permit
23. Any gas turbine with an intermittently operated auxiliary burner shall demonstrate compliance with the auxiliary burner on and off. [40 CFR 60.335(b) and District Rule 4703, 6.3.3] Federally Enforceable Through Title V Permit
24. For source testing, NOx emissions shall be averaged using consecutive 15-minute sampling periods over a three-hour period. [District Rule 4703, 5.1] Federally Enforceable Through Title V Permit
25. Oxides of nitrogen emissions for compliance tests shall be determined by using EPA Method 7E or EPA Method 20. [District Rule 4703, 6.4.1] Federally Enforceable Through Title V Permit
26. Carbon monoxide emissions for compliance tests shall be determined by using EPA Test Methods 10 or 10B. [District Rule 4703, 6.4.2] Federally Enforceable Through Title V Permit
27. Oxygen content of the exhaust gas shall be determined by using EPA Methods 3, 3A, or 20. [District Rule 4703, 6.4.3] Federally Enforceable Through Title V Permit
28. The HHV and LHV of gaseous fuels shall be determined by using ASTM D3588-91, ASTM 1826-88, or ASTM 1945-81. [40 CFR 60.335(b) and District Rule 4703, 6.4.5] Federally Enforceable Through Title V Permit
29. The District must be notified 30 days prior to any compliance source testing and the owner shall submit a source test plan for District approval 15 days prior to source sampling. [District Rules 1081, 7.1 and 4703, 6.3] Federally Enforceable Through Title V Permit
30. Source testing shall be witnessed or authorized by District personnel, and the source test results shall be submitted to the District within 60 days thereafter. [District Rule 1081, 7.2 and 4703, 6.3] Federally Enforceable Through Title V Permit
31. If the turbine is fired on PUC-regulated natural gas, then maintain on file copies of natural gas bills. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
32. Operator shall maintain a stationary gas turbine operating log that includes, on a daily basis, the actual local start-up and stop time, length and reason for reduced load periods, total hours of operation and quantity of fuel used. [40 CFR 60.332(a),(b) and District Rule 4703, 6.2.4] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

These terms and conditions are part of the Facility-wide Permit to Operate.

33. Permittee shall submit to the APCO the information correlating the control system operating parameters to the associated measured NOx output. [District Rule 4703, 6.2.2] Federally Enforceable Through Title V Permit
34. Operator shall submit a semiannual report listing any daily period during which the sulfur content of the fuel being fired in the gas turbine exceeds 0.8% by weight. [40 CFR 60.334(c)(2)] Federally Enforceable Through Title V Permit
35. Permittee shall submit an excess emissions and monitoring systems performance report (excess emissions are defined in applicable subparts) and/or a summary report form to the APCO semiannually, except when more frequent reporting is specifically required by an applicable subpart. All reports shall be postmarked by the 30th day of each calendar half (or quarter, as appropriate). [40 CFR 60.7(c)] Federally Enforceable Through Title V Permit
36. The owner or operator shall maintain a stationary gas turbine system operating log that includes, on a daily basis, the actual local start-up time and stop time, length and reason for reduced load periods, total hours of operation, type and quantity of fuel used (liquid/gas). [District Rule 4703, 6.2.6] Federally Enforceable Through Title V Permit
37. The operator performing start-up or shutdown of a unit shall keep records of the duration of start-up or shutdown. [District Rule 4703, 6.2.8] Federally Enforceable Through Title V Permit
38. Permittee shall keep accurate daily records of the quantity and heating value (btu/scf) of the fuel gas supplied to the gas turbine engine/duct burner system. [District Rule 2201] Federally Enforceable Through Title V Permit
39. The owner or operator shall maintain all records for a period of five years from the date of data entry and shall make such records available to the APCO upon request. [District Rule 4703, 6.2.4] Federally Enforceable Through Title V Permit
40. The concentration of sulfur compounds in the exhaust from combustion equipment shall not exceed 0.2% by volume as measured on a dry basis over a 15 minute period. To demonstrate compliance with this requirement the operator shall do one of the following: fire the unit only on PUC or FERC regulated natural gas; or test the sulfur content of each fuel source and demonstrate the sulfur content does not exceed 3.3% by weight for gaseous fuels; or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 4801 and 2520, 9.4.2] Federally Enforceable Through Title V Permit
41. A cogeneration facility which commenced construction prior to November 15, 1990, and was constructed for the purpose of supplying equal to or less than one-third its potential electrical output capacity or equal to or less than 219,000 Mwe-hrs actual electric output on an annual basis to any utility power distribution system for sale, is not an affected unit subject to the requirements of the Acid Rain Program. Therefore, the requirements of 40 CFR 72 do not apply to this source. A permit shield is granted from this requirement. [40 CFR 72.6(b)(4)(i) and District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

These terms and conditions are part of the Facility-wide Permit to Operate.

ATTACHMENT B

Authority to Construct
(S-1372-194-14)

AUTHORITY TO CONSTRUCT

PERMIT NO: S-1372-194-14

ISSUANCE DATE: 03/15/2010

LEGAL OWNER OR OPERATOR: PLAINS EXPLORATION & PRODUCTION COMPANY
MAILING ADDRESS: ATTN: KENNETH BORK
1200 DISCOVERY DRIVE, SUITE 500
BAKERSFIELD, CA 93309

LOCATION: HEAVY OIL WESTERN STATIONARY SOURCE
CA

SECTION: SE36 **TOWNSHIP:** 29S **RANGE:** 21E

EQUIPMENT DESCRIPTION:

MODIFICATION OF 4.72 MW COGEN FACILITY INCLUDING SOLAR TAURUS MODEL 60-T73005 GAS FIRED TURBINE ENGINE GENERATOR SET WITH SOLONOX COMBUSTORS, GAS FIRED DUCT BURNER, AND HEAT RECOVERY STEAM GENERATOR: DESIGNATE AS DORMANT FOR COMPLIANCE WITH RULE 4703

CONDITIONS

1. The facility shall submit an application to modify the Title V permit in accordance with the timeframes and procedures of District Rule 2520. [District Rule 2520] Federally Enforceable Through Title V Permit
2. No modification to this unit shall be performed without an Authority to Construct for such modification(s), except for changes specified in conditions below. [District Rule 2010]
3. The fuel supply line shall be physically disconnected from this unit. [District Rule 4703]
4. This equipment shall not be operated for any reason until an Authority to Construct permit is issued approving all necessary retrofits required to comply with the applicable requirements of District Rule 4703 and all other applicable District regulations. [District Rule 4703]
5. Units shall be fired exclusively on PUC-quality natural gas which has a sulfur content of less than or equal to 0.017% by weight. [40 CFR 60.333(a) & (b); 60.332(a); Rule 404 (Madera), 406 (Fresno) and 407 (6 remaining counties in the San Joaquin Valley)] Federally Enforceable Through Title V Permit
6. Operator shall not discharge into the atmosphere combustion contaminants (PM) exceeding in concentration at the point of discharge, 0.1 gr/dscf. [District Rule 4201; Rule 402 (Madera) and 404 (all 7 remaining counties in the San Joaquin Valley)] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (661) 392-5500 WHEN CONSTRUCTION IS COMPLETED AND PRIOR TO OPERATING THE EQUIPMENT OR MODIFICATIONS AUTHORIZED BY THIS AUTHORITY TO CONSTRUCT. This is NOT a PERMIT TO OPERATE. Approval or denial of a PERMIT TO OPERATE will be made after an inspection to verify that the equipment has been constructed in accordance with the approved plans, specifications and conditions of this Authority to Construct, and to determine if the equipment can be operated in compliance with all Rules and Regulations of the San Joaquin Valley Unified Air Pollution Control District. Unless construction has commenced pursuant to Rule 2050, this Authority to Construct shall expire and application shall be cancelled two years from the date of issuance. The applicant is responsible for complying with all laws, ordinances and regulations of all other governmental agencies which may pertain to the above equipment.

Sayed Sadredin, Executive Director / APCO

DAVID WARNER, Director of Permit Services

S-1372-194-14 : Apr 19 2012 1:04PM - RICKARDK : Joint Inspection NOT Required

Southern Regional Office • 34946 Flyover Court • Bakersfield, CA 93308 • (661) 392-5500 • Fax (661) 392-5585

7. Operator shall not exceed a NOx emission rate of 25 ppmvd @ 15% O2, excluding thermal stabilization and reduced load periods. [40 CFR 60.332(a)(1) & 60.332(a)(2) and District Rule 4703, 5.1.2] Federally Enforceable Through Title V Permit
8. Operator shall not exceed a CO emission rate of 200 ppmvd @ 15% O2, excluding thermal stabilization and reduced load periods. [District Rule 4703, 5.2] Federally Enforceable Through Title V Permit
9. Operator shall be required to conform to the compliance testing procedures described in District Rule 1081. [District Rule 1081; Rule 108.1 (Fresno, Merced, San Joaquin, Tulare, Kern, and Stanislaus), Rule 110 (Madera), and Rule 108 (Kings)] Federally Enforceable Through Title V Permit
10. If the turbine is not fired on PUC-regulated natural gas, then the sulfur content of the natural gas being fired in the turbine shall be determined using ASTM method D 1072, D 3031, D 4084 or D 3246. [40 CFR 60.335(d)] Federally Enforceable Through Title V Permit
11. If the turbine is not fired on PUC-regulated natural gas, the sulfur content of each fuel source shall be tested weekly except that if compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be quarterly. If a test shows noncompliance with the sulfur content requirement, the source must return to weekly testing until eight consecutive weeks show compliance. [40 CFR 60.334(b)(2)] Federally Enforceable Through Title V Permit
12. HHV and LHV of the fuel shall be determined using ASTM D3588, ASTM 1826, or ASTM 1945. [40 CFR 60.335(b) and District Rule 4703, 6.4.5] Federally Enforceable Through Title V Permit
13. Nitrogen oxides (NOx) concentrations shall be determined using EPA Method 7E or 20, and oxygen (O2) concentrations shall be determined using EPA Method 3, 3A, or 20. [40 CFR 60.335(b) and District Rule 4703, 6.4] Federally Enforceable Through Title V Permit
14. The operator shall provide source test information annually regarding the exhaust gas NOx concentration corrected to 15% O2 (dry). [40 CFR 60.332(a), (b) and District Rule 4703, 5.1] Federally Enforceable Through Title V Permit
15. Any gas turbine with an intermittently operated auxiliary burner shall demonstrate compliance with the auxiliary burner on and off. [40 CFR 60.335(b) and District Rule 4703, 6.3.2] Federally Enforceable Through Title V Permit
16. If the turbine is fired on PUC-regulated natural gas, then maintain on file copies of natural gas bills. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
17. The operator of a stationary gas turbine system shall maintain all records of required monitoring data and support information for inspection at any time for a period of five years. [District Rule 2520, 9.5.2] Federally Enforceable Through Title V Permit
18. Operator shall maintain a stationary gas turbine operating log that includes, on a daily basis, the actual local start-up and stop time, length and reason for reduced load periods, total hours of operation and quantity of fuel used. [40 CFR 60.332(a),(b) and District Rule 4703, 6.2.4] Federally Enforceable Through Title V Permit
19. The following types of units are not affected units subject to the requirements of the Acid Rain Program: 1) A simple combustion turbine that commenced operation before November 15, 1990, 2) Any unit that, during 1985, did not serve a generator that produced electricity for sale and that did not, as of November 15, 1990, and does not currently, serve a generator that produces electricity for sale, 3) A cogeneration facility which for a unit that commenced construction prior to November 15, 1990, was constructed for the purpose of supplying equal to or less than one-third its potential electrical output capacity or equal to or less than 219,000 Mwe-hrs actual electric output on an annual basis to any utility power distribution system for sale. Therefore, the requirements of 40 CFR 72.6 do not apply to this source. A permit shield is granted from this requirement. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
20. Compliance with permit conditions in the Title V permit shall be deemed in compliance with the following applicable requirements: SJVUAPCD Rule 1081, 4201, 3.1; Rules 406 (Fresno), 407 (Kings, San Joaquin, Stanislaus, Tulare, Merced, and Kern), and 404(Madera); 40 CFR 60.332(c), (d); 60.334 (b), and (c)(2); 60.335(d). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

CONDITIONS CONTINUE ON NEXT PAGE

21. Compliance with permit conditions in the Title V permit shall be deemed compliance with the following subsumed requirements: SJVUAPCD Rule 4703, 6.2.2; Rules 108 (Kings), 108.1 (Fresno, Merced, San Joaquin, Tulare, Kern and Stanislaus), and 110 (Madera); Rules 402 (Madera) and 404 (Fresno, Kern, Kings, San Joaquin, Merced, Stanislaus, Tulare); 40 CFR 60.332 (a) and (b); 60.333(a) and (b); 60.334 (a), (b), and (c)(1); 60.335 (a), (b), (c), and (e). A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
22. Compliance with the permit conditions in the Title V permit shall be deemed compliance with the following applicable requirements: SJVUAPCD Rule 4703, sections 5.0, 5.1.1, 6.2.1, 6.2.4, 6.3, 6.4.1, 6.4.3, 6.4.5, 6.4.6. A permit shield is granted from these requirements. [District Rule 2520, 13.2] Federally Enforceable Through Title V Permit
23. Permittee shall operate, monitor and maintain the SoLoNOx lean pre-mixed combustion system in full accordance with manufacturer's recommendations. [40 CFR 60.334; District Rule 4703, 6.2.2 and 6.2.5] Federally Enforceable Through Title V Permit
24. Permittee shall submit to the APCO the information correlating the control system operating parameters to the associated measured NOx output. [District Rule 4703, 6.2.2] Federally Enforceable Through Title V Permit
25. Permittee shall install, operate and maintain in calibration a system which continuously measures and records elapsed time of turbine operation. [District Rule 4703, 6.2.1] Federally Enforceable Through Title V Permit
26. Operator shall submit a semiannual report listing any daily period during which the sulfur content of the fuel being fired in the gas turbine exceeds 0.8% by weight. [40 CFR 60.334(c)(2)] Federally Enforceable Through Title V Permit
27. Permittee shall submit an excess emissions and monitoring systems performance report (excess emissions are defined in applicable subparts) and/or a summary report form to the APCO semiannually, except when more frequent reporting is specifically required by an applicable subpart. All reports shall be postmarked by the 30th day of each calendar half (or quarter, as appropriate). [40 CFR 60.7(c)] Federally Enforceable Through Title V Permit
28. Duct burner fuel gas supply shall be equipped with injection pressure indicator. [District Rule 1070] Federally Enforceable Through Title V Permit
29. Gas turbine lube oil system atmospheric vent shall be equipped with aerosol/smoke control provisions. [District NSR Rule] Federally Enforceable Through Title V Permit
30. Gas turbine engine and duct burner shall be fired on PUC quality or equivalent sulfur content natural gas. [District NSR Rule] Federally Enforceable Through Title V Permit
31. Gas turbine engine/duct burner system shall be equipped with recording fuel gas flowmeter. [District NSR Rule] Federally Enforceable Through Title V Permit
32. Heat input to gas turbine engine/duct burner system shall not exceed 1880.16 MMBtu/day. [District NSR Rule] Federally Enforceable Through Title V Permit
33. Gas turbine engine and duct burner combined emission rate shall not exceed PM10: 0.72 lb/hr, SOx (as SO2): 0.06 lb/hr, VOC: 0.38 lb/hr, and CO: 16.70 lb/hr. [District NSR Rule] Federally Enforceable Through Title V Permit
34. Lube oil vent relief valve emission rate shall not exceed PM10: 0.09 lb/hr, and VOC: 0.09 lb/hr. [District NSR Rule] Federally Enforceable Through Title V Permit
35. NOx and CO emissions shall be measured pursuant to Rule 4703 annually by District witnessed sample collection by independent laboratory. Compliance source testing shall be conducted under conditions representative of normal operation. Test results shall be submitted within 60 days. [District Rule 4703] Federally Enforceable Through Title V Permit
36. Sampling facilities for source testing shall be provided in accordance with the provisions of Rule 1081 (Source Sampling). [District Rule 1081] Federally Enforceable Through Title V Permit
37. Oxides of nitrogen emissions for compliance tests shall be determined by using EPA Method 7E or EPA Method 20. Carbon monoxide emissions for compliance tests shall be determined using EPA Test Methods 10 or 10B. Oxygen content of the exhaust gas shall be determined using EPA Methods 3, 3A, or 20. [District Rule 4703] Federally Enforceable Through Title V Permit

38. Permittee shall maintain a stationary gas turbine system operating log that includes, on a daily basis, the actual local time start-up and stop time, length and reason for reduced load periods, total hours of operation, and quantity of fuel used. [District Rule 4703, 6.2.6] Federally Enforceable Through Title V Permit
39. Permittee shall keep accurate daily records of the quantity and heating value (btu/scf) of the fuel gas supplied to the gas turbine engine/duct burner system. [District NSR Rule] Federally Enforceable Through Title V Permit
40. All records required by this permit shall be maintained for a period of at least five years and shall be made available for District inspection upon request. [District Rules 2520, 9.5.2 and 4703, 6.2.4] Federally Enforceable Through Title V Permit

ATTACHMENT C

Emissions Increases

ATTACHMENT D


Application

San Joaquin Valley Air Pollution Control District

www.valleyair.org

Permit Application For:

[] ADMINISTRATIVE AMENDMENT [X] MINOR MODIFICATION [] SIGNIFICANT MODIFICATION

| | |
|--|---|
| 1. PERMIT TO BE ISSUED TO: Plains Exploration & Production Company | |
| 2. MAILING ADDRESS: STREET/P.O. BOX: 1200 Discovery Drive, Suite 500 CITY: Bakersfield STATE: California 9-DIGIT ZIP CODE: 93309 | |
| 3. LOCATION WHERE THE EQUIPMENT WILL BE OPERATED: STREET: Western Kern County, Heavy Oil Stationary Source CITY: _____ SE ¼ SECTION 36 TOWNSHIP 29S RANGE 21E _____ ¼ SECTION _____ TOWNSHIP _____ RANGE _____ _____ ¼ SECTION _____ TOWNSHIP _____ RANGE _____ _____ ¼ SECTION _____ TOWNSHIP _____ RANGE _____ | INSTALLATION DATE: _____ |
| 4. GENERAL NATURE OF BUSINESS: Oil and Gas Production | |
| 5. DESCRIPTION OF EQUIPMENT OR MODIFICATION FOR WHICH APPLICATION IS MADE (include Permit #'s if known, and use additional sheets if necessary) S-1372-194-14 CONVERT ATC S-1372-194-14 (COGEN). | |
| 6. TYPE OR PRINT NAME OF APPLICANT: Kenneth R. Bork | TITLE OF APPLICANT: Environmental Advisor |
| 7. SIGNATURE OF APPLICANT:  FOR KRB DATE: 1/8/12 | PHONE: (661) 395-5458 FAX: (661) 395-5298 EMAIL: kbork@pxp.com |

For APCD Use Only:

| | | |
|------------|-------------------------------|----------------------------|
| DATE STAMP | FILING FEE RECEIVED: \$ _____ | CHECK#: _____ |
| | DATE PAID: _____ | |
| | PROJECT NO: S-1121228 | FACILITY ID: S-1372 |
| | | |

Title V - Minor Mod

**San Joaquin Valley
Unified Air Pollution Control District**

TITLE V MODIFICATION - COMPLIANCE CERTIFICATION FORM

I. TYPE OF PERMIT ACTION (Check appropriate box)

☒ SIGNIFICANT PERMIT MODIFICATION
☒ MINOR PERMIT MODIFICATION

☐ ADMINISTRATIVE
AMENDMENT

| | |
|--|-----------------------|
| COMPANY NAME: Plains Exploration & Production Company | FACILITY ID: S - 1372 |
| 1. Type of Organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Sole Ownership <input type="checkbox"/> Government <input type="checkbox"/> Partnership <input type="checkbox"/> Utility | |
| 2. Owner's Name: Plains Exploration & Production Company | |
| 3. Agent to the Owner: Steven P. Rusch | |

II. COMPLIANCE CERTIFICATION (Read each statement carefully and initial all circles for confirmation):

- ☒ Based on information and belief formed after reasonable inquiry, the source identified in this application will continue to comply with the applicable federal requirement(s).
- ☒ Based on information and belief formed after reasonable inquiry, the source identified in this application will comply with applicable federal requirement(s) that will become effective during the permit term, on a timely basis.
- ☒ Corrected information will be provided to the District when I become aware that incorrect or incomplete information has been submitted.
- ☒ Based on information and belief formed after reasonable inquiry, information and statements in the submitted application package, including all accompanying reports, and required certifications are true accurate and complete.

I declare, under penalty of perjury under the laws of the state of California, that the forgoing is correct and true:



Signature of Responsible Official

1/3/12

Date

Steven P. Rusch

Name of Responsible Official (please print)

Vice President-EHS & Governmental Affairs

Title of Responsible Official (please print)

ATTACHMENT E

Previous Title V Operating Permit
(S-1372-194-12)

San Joaquin Valley Air Pollution Control District

PERMIT UNIT: S-1372-194-12

EXPIRATION DATE: 05/31/2016

SECTION: SE36 **TOWNSHIP:** 29S **RANGE:** 21E

EQUIPMENT DESCRIPTION:

4.72 MW COGEN FACILITY INCLUDING SOLAR TAURUS MODEL 60-T73005 GAS FIRED TURBINE ENGINE GENERATOR SET WITH SOLONOX COMBUSTORS, GAS FIRED DUCT BURNER, AND HEAT RECOVERY STEAM GENERATOR

PERMIT UNIT REQUIREMENTS

1. Unit shall be fired exclusively on PUC-quality natural gas which has a sulfur content of less than or equal to 0.017% by weight. [40 CFR 60.333(a) & (b);60.332(a)] Federally Enforceable Through Title V Permit
2. Duct burner fuel gas supply shall be equipped with injection pressure indicator. [District NSR Rule] Federally Enforceable Through Title V Permit
3. Gas turbine lube oil system atmospheric vent shall be equipped with aerosol/smoke control provisions. [District NSR Rule] Federally Enforceable Through Title V Permit
4. Gas turbine engine and duct burner shall be fired on PUC quality or equivalent sulfur content natural gas. [District NSR Rule] Federally Enforceable Through Title V Permit
5. Gas turbine engine/duct burner system shall be equipped with recording fuel gas flowmeter. [District NSR Rule] Federally Enforceable Through Title V Permit
6. Sampling facilities for source testing shall be provided in accordance with the provisions of Rule 1081 (Source Sampling). [District Rule 1081] Federally Enforceable Through Title V Permit
7. Permittee shall operate and maintain in calibration a system which continuously measures and records elapsed time of turbine operation. [District Rule 4703, 6.2] Federally Enforceable Through Title V Permit
8. Permittee shall operate, monitor and maintain the SoLoNOx lean pre-mixed combustion system in full accordance with manufacturer's recommendations. [40 CFR 60.334; District Rule 4703, 6.2.2 and 6.2.5] Federally Enforceable Through Title V Permit
9. Heat input to gas turbine engine/duct burner system shall not exceed 1,880.16 MMBtu/day. [District NSR Rule] Federally Enforceable Through Title V Permit
10. Except during transitional periods, NOx emissions shall not exceed 25 ppmvd @ 15% O2. [40 CFR 60.332(a)(1) & 60.332(a)(2) and District Rules 2201 and 4703, 5.1.2] Federally Enforceable Through Title V Permit
11. Except during transitional periods, CO emissions shall not exceed 200 ppmvd @ 15% O2. [District Rules 2201 and 4703, 5.2] Federally Enforceable Through Title V Permit
12. Gas turbine engine and duct burner combined emission rate shall not exceed PM10: 0.72 lb/hr, SOx (as SO2): 0.06 lb/hr, VOC: 0.38 lb/hr, and CO: 16.70 lb/hr. [District NSR Rule] Federally Enforceable Through Title V Permit
13. Lube oil vent relief valve emission rate shall not exceed PM10: 0.09 lb/hr, and VOC: 0.09 lb/hr. [District NSR Rule] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

These terms and conditions are part of the Facility-wide Permit to Operate.

14. Start-up is defined as the period of time during which a unit is brought from a shutdown status to its operating temperature and pressure, including the time required by the unit's emission control system to reach full operation. [District Rule 4703, 3.29] Federally Enforceable Through Title V Permit
15. Shutdown is defined as the period of time during which a unit is taken from an operational to a non-operational status by allowing it to cool down from its operating temperature to ambient temperature as the fuel supply to the unit is completely turned off. [District Rule 4703, 3.26] Federally Enforceable Through Title V Permit
16. Transitional Period is defined as any of the following: bypass transition period, primary re-ignition period, reduced load period, start-up or shutdown. [District Rule 4703, 3.33] Federally Enforceable Through Title V Permit
17. If the turbine is not fired on PUC-regulated natural gas, then the sulfur content of the natural gas being fired in the turbine shall be determined using ASTM method D 1072, D 3031, D 4084 or D 3246. [40 CFR 60.335(d)] Federally Enforceable Through Title V Permit
18. If the turbine is not fired on PUC-regulated natural gas, the sulfur content of each fuel source shall be tested weekly except that if compliance with the fuel sulfur content limit has been demonstrated for 8 consecutive weeks for a fuel source, then the testing frequency shall be quarterly. If a test shows noncompliance with the sulfur content requirement, the source must return to weekly testing until eight consecutive weeks show compliance. [40 CFR 60.334(b)(2)] Federally Enforceable Through Title V Permit
19. Source testing to demonstrate compliance with NO_x and CO emission limits shall be conducted annually. [District Rule 4703, 6.3.1] Federally Enforceable Through Title V Permit
20. Any gas turbine with an intermittently operated auxiliary burner shall demonstrate compliance with the auxiliary burner on and off. [40 CFR 60.335(b) and District Rule 4703, 6.3.3] Federally Enforceable Through Title V Permit
21. For source testing, NO_x emissions shall be averaged using consecutive 15-minute sampling periods over a three-hour period. [District Rule 4703, 5.1] Federally Enforceable Through Title V Permit
22. Oxides of nitrogen emissions for compliance tests shall be determined by using EPA Method 7E or EPA Method 20. [District Rule 4703, 6.4.1] Federally Enforceable Through Title V Permit
23. Carbon monoxide emissions for compliance tests shall be determined by using EPA Test Methods 10 or 10B. [District Rule 4703, 6.4.2] Federally Enforceable Through Title V Permit
24. Oxygen content of the exhaust gas shall be determined by using EPA Methods 3, 3A, or 20. [District Rule 4703, 6.4.3] Federally Enforceable Through Title V Permit
25. The HHV and LHV of gaseous fuels shall be determined by using ASTM D3588-91, ASTM 1826-88, or ASTM 1945-81. [40 CFR 60.335(b) and District Rule 4703, 6.4.5] Federally Enforceable Through Title V Permit
26. The District must be notified 30 days prior to any compliance source testing and the owner shall submit a source test plan for District approval 15 days prior to source sampling. [District Rules 1081, 7.1 and 4703, 6.3] Federally Enforceable Through Title V Permit
27. Source testing shall be witnessed or authorized by District personnel, and the source test results shall be submitted to the District within 60 days thereafter. [District Rule 1081, 7.2 and 4703, 6.3] Federally Enforceable Through Title V Permit
28. If the turbine is fired on PUC-regulated natural gas, then maintain on file copies of natural gas bills. [District Rule 2520, 9.4.2] Federally Enforceable Through Title V Permit
29. Operator shall maintain a stationary gas turbine operating log that includes, on a daily basis, the actual local start-up and stop time, length and reason for reduced load periods, total hours of operation and quantity of fuel used. [40 CFR 60.332(a),(b) and District Rule 4703, 6.2.4] Federally Enforceable Through Title V Permit
30. Permittee shall submit to the APCO the information correlating the control system operating parameters to the associated measured NO_x output. [District Rule 4703, 6.2.2] Federally Enforceable Through Title V Permit
31. Operator shall submit a semiannual report listing any daily period during which the sulfur content of the fuel being fired in the gas turbine exceeds 0.8% by weight. [40 CFR 60.334(c)(2)] Federally Enforceable Through Title V Permit

PERMIT UNIT REQUIREMENTS CONTINUE ON NEXT PAGE

These terms and conditions are part of the Facility-wide Permit to Operate.

32. Permittee shall submit an excess emissions and monitoring systems performance report (excess emissions are defined in applicable subparts) and/or a summary report form to the APCO semiannually, except when more frequent reporting is specifically required by an applicable subpart. All reports shall be postmarked by the 30th day of each calendar half (or quarter, as appropriate). [40 CFR 60.7(c)] Federally Enforceable Through Title V Permit
33. The owner or operator shall maintain a stationary gas turbine system operating log that includes, on a daily basis, the actual local start-up time and stop time, length and reason for reduced load periods, total hours of operation, type and quantity of fuel used (liquid/gas). [District Rule 4703, 6.2.6] Federally Enforceable Through Title V Permit
34. The operator performing start-up or shutdown of a unit shall keep records of the duration of start-up or shutdown. [District Rule 4703, 6.2.8] Federally Enforceable Through Title V Permit
35. Permittee shall keep accurate daily records of the quantity and heating value (btu/scf) of the fuel gas supplied to the gas turbine engine/duct burner system. [District NSR Rule] Federally Enforceable Through Title V Permit
36. The owner or operator shall maintain all records for a period of five years from the date of data entry and shall make such records available to the APCO upon request. [District Rule 4703, 6.2.4] Federally Enforceable Through Title V Permit
37. The concentration of sulfur compounds in the exhaust from combustion equipment shall not exceed 0.2% by volume as measured on a dry basis over a 15 minute period. To demonstrate compliance with this requirement the operator shall do one of the following: fire the unit only on PUC or FERC regulated natural gas; or test the sulfur content of each fuel source and demonstrate the sulfur content does not exceed 3.3% by weight for gaseous fuels; or determine that the concentration of sulfur compounds in the exhaust does not exceed the concentration limit by a combination of source testing and fuel analysis. [District Rules 4801 and 2520, 9.4.2] Federally Enforceable Through Title V Permit
38. A cogeneration facility which commenced construction prior to November 15, 1990, and was constructed for the purpose of supplying equal to or less than one-third its potential electrical output capacity or equal to or less than 219,000 Mwe-hrs actual electric output on an annual basis to any utility power distribution system for sale, is not an affected unit subject to the requirements of the Acid Rain Program. Therefore, the requirements of 40 CFR 72 do not apply to this source. A permit shield is granted from this requirement. [40 CFR 72.6(b)(4)(i) and District Rule 2520, 13.2] Federally Enforceable Through Title V Permit

These terms and conditions are part of the Facility-wide Permit to Operate.